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AZ CORP COMMISSION
DOCKET CONTROL

P.O. Box 711
Tucson, Arizona 85702-0711

UniSourceEnergy
SERVICES

May 1, 2015

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Notice of Filing – UNS Electric, Inc.'s Transmission Cost Adjustor
Docket No. E-04204A-12-0504

Pursuant to Decision No. 74235 (December 31, 2013) and the Plan of Administration for UNS Electric, Inc.'s ("UNS Electric") Transmission Cost Adjustor ("TCA"), UNS Electric hereby files its TCA rate and supporting calculation as Exhibits 1, 2 and 3. Also attached is a clean and redlined UNS Electric Statement of Charges Sheet No. 801-2 reflecting the new rate.

The new TCA rate for non-demand customers will be \$0.00475 per kWh. For demand customers, the new TCA rate will be set at \$0.1631 per kW. The rate will become effective with the first billing cycle in June (without proration), unless Staff requests Commission review or otherwise ordered by the Commission.

If you have questions or comments please contact me at (520) 884-3680.

Sincerely,

Melissa Morales
Regulatory Services

cc: Barbara Keene
Compliance Section, ACC

Arizona Corporation Commission

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EXHIBIT 1

UNS Electric, Inc.

Rates for Transmission Cost Adjustor For June 1, 2015 Through May 31, 2016
Data For Period Ending December 31, 2014

Line	Service Type	\$/kWh (A)	\$/kW (B)
1	Transmission Rate	\$0.01066	\$2.4653
2	Scheduling	N/A	N/A
3	Regulation and Frequency	N/A	N/A
4	Energy Imbalance	N/A	N/A
5	Spinning Reserve	N/A	N/A
6	Supplemental Reserve	N/A	N/A
7	Total	\$0.01066	\$2.4653
8	Included in Retail Base Rates per OATT	\$0.00591	\$2.3022
9	TCA (Line 7) – (Line 8)	\$0.00475	\$0.1631

Exhibit 2

UNS, ELECTRIC, INC.
TRANSMISSION EXPENSE SUMMARY
PERIOD ENDING DECEMBER 31, 2014

Item	Description	\$	\$/kWh
T	TRANSMISSION	\$10,075,946	\$0.01066
	All Demand Customers	\$4,455,510	\$2.4653

UNS ELECTRIC, INC.
ALLOCATION OF TRANSMISSION REVENUE REQUIREMENT
TEST PERIOD ENDING DECEMBER 31, 2014

Coincident Peak	Month	LOAD RESEARCH		LIGHT	ACTUAL DEMAND		TOTAL
		Residential	SGS		MGS/LGS	LPS	
	1/1/2014	1.54	1.82	0.28	109,590	14,149	-
	2/1/2014	1.55	1.91	0.27	131,986	14,342	-
	3/1/2014	1.17	2.08	0.28	140,894	14,457	-
	4/1/2014	1.51	2.37	0.28	140,485	14,457	-
	5/1/2014	2.26	2.90	0.28	153,317	14,457	-
	6/1/2014	2.84	3.14	0.28	141,652	14,296	-
	7/1/2014	3.13	3.20	0.28	149,512	14,282	-
	8/1/2014	2.87	2.99	0.27	152,058	14,429	-
	9/1/2014	2.73	2.92	0.28	140,031	14,378	-
	10/1/2014	1.81	2.39	0.28	143,853	14,252	-
	11/1/2014	1.34	4.13	0.26	136,939	14,224	-
	12/1/2014	2.07	1.78	0.27	95,025	14,224	-
1-CP Max		3.1	4.1	0.3	153,317.3	14,457.2	-
4-CP Max		3.1	3.2	0.3	152,057.8	14,429.2	-
Adjusted Sales	823,953,185	118,683,796	2,827,250	562,579,661	92,765,274	1,600,809,167	
TRANSMISSION REVENUE REQUIREMENT						\$14,531,456	
Transmission Revenue Requirement as \$/kWh						\$0.0091	
ALLOCATION OF TRANSMISSION REVENUE REQUIREMENT							
Average & Excess Demand							
AED/4cp AS Demand	212,700	30,258	572	93,312	14,375	351,217	
AED/4cp AS Percentage	60.6%	8.6%	0.2%	26.6%	4.1%	100.0%	
Allocation of Revenue Requirement	\$8,800,362	\$1,251,908	\$23,676	\$3,860,742	\$594,768	\$14,531,456	
Rate per kWh Per Class	\$0.0107	\$0.0105	\$0.0084	\$0.0069	\$0.0064		
Rate per kW (Applicable Classes Only)				\$2.36	\$3.46		
Check							
							KWH Rate 0.010657142
							KW Rate 2.465298161

EXHIBIT 3

UNS Electric, Inc.
Rates for Transmission Service For June 1, 2015 Through May 31, 2016
Data For Period Ending December 31, 2014

	<u>Santa Cruz</u> <u>Division</u>	<u>Mohave</u> <u>Division</u>	<u>Total</u> <u>Company</u>
2015 Revenue Requirements	\$5,408,485 1b	\$9,122,971 1a	\$14,531,456
2015 Average of 12CP (MW)	55.8 9a	250.2 9b	306.0
Rates (\$/kW) :			
Annual	97.00	36.46	47.49
Monthly	8.0832	3.0381	3.9574
Weekly	1.8654	0.7011	0.9133
Daily	0.3731	0.1402	0.1827
Hourly	0.0233	0.0088	0.0114

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2014

	Mohave			Santa Cruz		
Rate Base:						
Plant In Service -						
Direct	\$74,750,654	2a		\$45,834,366	2h	
Allocated	1,019,843	2b		1,135,364	2i	
Capital Leases -						
Allocated	-	2c		-		
Comp. Const. Not Classified -						
Allocated	83,595	2d	75,854,093	58,311	2j	47,028,042
Less: Accumulated Depreciation -						
Direct	(22,132,794)	2e		(13,571,020)	2k	
Allocated	(462,677)	2f	(22,595,471)	(632,504)	2l	(14,203,524)
Less: Accumulated Amortization -						
Allocated	(85,771)	2.1a	(85,771)	-	2.1e	-
Net Plant in Service			53,172,852			32,824,518
Less: A.D.I.T. -						
Direct Plant	3,904,795	2.1b		2,394,278	2.1f	
Allocated Plant	50,537	2.1c	(3,955,332)	48,908	2.1g	(2,443,186)
Material & Supplies - Transmission			326,328			258,625
Cash Working Capital (1/8 O&M Exp.)			65,450			22,316
Total Rate Base			49,609,297			30,662,274
Return (ACC Decision No. 59951 - 1/97):						
L-T Debt (Rate Base X .31% wtd cost)	153,789			95,053		
S-T Debt(Rate Base X 3.11%)	1,542,849	c		953,597	e	
Common (Rate Base X 5.46%)	2,708,668	d	4,405,306	1,674,160	f	2,722,810
Operating Expenses:						
Transmission O&M			321,429			63,411
A&G Exp. Allocated to Transmission			202,175			115,119
Depreciation & Amortization Expense -						
Directly Assigned -	1,878,005	2.2a		1,151,524	2.2d	
Allocated	69,404	2.2b	1,947,409	78,664	2.2e	1,230,188
Property Taxes - Directly Assigned	597,192	2.2c		256,128	2.2f	
- Allocated	7,303	2.3d	604,495	6,670	2.3j	262,798
Payroll Taxes - Directly Assigned	7,389	2.3e		4,418	2.3k	
- Allocated	1,686	2.3f	9,075	374	2.3l	4,792
			3,084,583			1,676,307
Income Taxes on Equity Returns:						
Common Equity Return	2,708,668			1,674,160		
Tax to Revenue Factor -						
[1/(1-.37614)] X .37614 =	0.602910		1,633,082.80	0.602910		1,009,368
Total Revenue Requirement			9,122,971			5,408,485

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2014

	<u>Mohave</u>		<u>Santa Cruz</u>	
<u>1. Plant in Service - Directly Assigned</u>				
Transmission Plant	3b&a	74,750,654	3f&e	45,834,366
		<u>74,750,654</u> a		<u>45,834,366</u> h
<u>2. Plant in Service - Allocated Plant</u>				
Intangible Plant, (Accts. 301-303)	3c	6,339,277	3g	-
General Plant (Accts. 389-399)	3d	27,808,868	3h	11,992,002
Total Intangible and General Plant		<u>34,148,145</u>		<u>11,992,002</u>
Transmission Labor Ratio:				
Transmission Payroll Expense	4.1a	81,336	4.1d	49,872
Total Payroll Expense	4.1b	3,344,967	4.1e	571,400
Less: A&G Payroll Expense	4.1c	621,526	4.1f	44,634
		<u>2,723,441</u>		<u>526,765</u>
Transmission Labor Ratio		<u>0.029865</u>		<u>0.094677</u>
Intangible and General Plant		34,148,145		11,992,002
Transmission Labor Ratio		0.029865		0.094677
Intangible and General Plant Allocated to Transmission	A	<u>1,019,843</u> b	D	<u>1,135,364</u> i
<u>3. Capital Leases - Allocated</u>				
Vehicles	3i	-	3m	-
Transmission Labor Ratio		0.029865		0.094677
Capital Leases Allocated to Transmission	B	<u>-</u> c	E	<u>-</u>
<u>4. Completed Const. Not Classified - Allocated</u>				
General & Intangible Plant	3j&y	2,799,081	3n	615,899
Transmission Labor Ratio		0.029865		0.094677
Completed Const. Allocated to Transmission	C	<u>83,595</u> d	F	<u>58,311</u> j
<u>5. Accumulated Depreciation - Directly Assigned</u>				
Accum. Depr. - Cap. Recovery - Transmission	3k	16,379,922	3o	10,043,569
Accum. Depr. - R.W.I.P. - Transmission	3t	-	3u	-
Accum. Depr. - Acq. Discount - Transmission	3l	5,752,872	3p	3,527,451
		<u>22,132,794</u> e		<u>13,571,020</u> k
<u>6. Accumulated Depreciation - Allocated Plant</u>				
Accum. Depr. - Cap. Recovery - General Plant	3v	13,526,522	3q	5,833,034
Accum. Depr. - R.W.I.P. - General Plant	3w	640	3r	276
Accum. Depr. - Acq. Discount - General Plant	3x	1,964,966	3s	847,351
		<u>15,492,128</u>		<u>6,680,661</u>
Transmission Labor Ratio		0.029865		0.094677
Accumulated Depreciation Allocated to Transmission		<u>462,677</u> f		<u>632,504</u> l
<u>7. Accumulated Amortization - Allocated Plant</u>				
Accum. Amort. - Other Intangibles	3.1c	2,871,918	3.1e	-
Accum. Amort. - Capital Leases	3.1d	-	3.1f	-
		<u>2,871,918</u>		<u>-</u>

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2014

	<u>Mohave</u>	<u>Santa Cruz</u>
Transmission Labor Ratio	0.029865	0.094677
Accumulated Amortization Allocated to Transmission	<u>85,771</u> ^a	<u>-</u> ^e
8. Accumulated Deferred Income Taxes - Direct Plant		
A.D.I.T. - Transmission Operations	5a <u>(3,904,795.32)</u> ^b	5b <u>(2,394,277.61)</u> ^f
9. Accumulated Deferred Income Taxes - Allocated Plant		
Intangible Plant in Service	3c 6,339,277	3g -
General Plant in Service	3d 27,808,868	3h 11,992,002
Capital Leases - Vehicles	3i -	3m -
Compl. Const. - General & Intangible	3j <u>2,799,081</u>	3n <u>615,899</u>
	<u>36,947,226</u>	<u>12,607,901</u>
Total Electric Plant in Service	3A 453,934,336	3D 230,180,460
Total Capital Leases	3B -	3E -
Total Compl. Const.	3C <u>63,188,239</u>	3F <u>38,849,061</u>
	<u>517,122,575</u>	<u>269,029,521</u>
Ratio	0.071448	0.046864
Total A.D.I.T.	5c <u>(23,684,014)</u>	5d <u>(11,022,872)</u>
A.D.I.T. - Allocated Plant	<u>(1,692,168.66)</u>	<u>(516,580)</u>
Transmission Labor Ratio	<u>0.029865</u>	<u>0.094677</u>
A.D.I.T. Allocated to Transmission	<u>(50,537)</u> ^c	<u>(48,908)</u> ^g
10. Materials and Supplies - Transmission		
Materials and Supplies (Accts. 154 and 163)	6a 10,926,660	6b 2,731,665
Transmission Labor Ratio	<u>0.029865</u>	<u>0.094677</u>
M&S - Transmission	<u>326,328</u> ^d	<u>258,625</u> ^h

2.1

11. A&G Expense Allocated to Transmission

A&G Expense (Accts. 920 - 935)	4.1g 6,769,563	4.1h 1,215,917
Transmission Labor Ratio	0.029865	0.094677
A&G Expense Allocated to Transmission	A <u>202,175</u>	B <u>115,119</u>

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2014

	<u>Mohave</u>	<u>Santa Cruz</u>
12. Depreciation & Amortization - Directly Assigned Plant		
Depreciation Expense - Transmission Plant	3.1g 2,135,207	3.1j 1,309,231
Amortization Acq. Discount - Transmission	3.1i (257,202)	3.1l (157,707)
	<u>1,878,005 a</u>	<u>1,151,524 d</u>
13. Depreciation & Amortization - Plant Allocated to Transmission		
Depreciation Expense - General Plant - 403	3.1m 924,314	3.1q 398,591
Amortization Expense - Intangibles & General - 404	3.1n 1,578,169	3.1r 509,286
Amort. Acq. Discount - Other Intangibles - 406	3.1o -	3.1s -
Amort. Acq. Discount - General Plant - 406	3.1p (178,589)	3.1t (77,013)
	<u>2,323,894</u>	<u>830,864</u>
General Plant in Service	3d 27,808,868	3h 11,992,002
Other Intangibles	3c 6,339,277	3g -
Capital Leases	3B -	3E -
Comp. Const. - General Plant	3j 2,799,081	3n 615,899
	<u>36,947,226</u>	<u>12,607,901</u>
Average Depreciation Rate	<u>0.062898</u>	<u>0.065900</u>
Intangible and General Plant Allocated to Transmission	2A 1,019,843	2D 1,135,364
Capital Leases Allocated to Transmission	2B -	2E -
Completed Const. Allocated to Transmission	2C 83,595	2F 58,311
Total Plant Allocated to Transmission	<u>1,103,439</u>	<u>1,193,676</u>
Depreciation & Amortization of Allocated Plant	<u>69,404 b</u>	<u>78,664 e</u>
14. Property Taxes - Transmission Plant		
Property + Other Tax Expense	4.1i 4,080,709	4.1j 1,503,368
Total Electric Plant in Service	453,934,336	230,180,460
Less: Other Intangible Plant in Service	(6,339,277)	-
Capital Leases	-	-
Completed Const. not Classified	63,188,239	38,849,061
Taxable Plant	<u>510,783,298</u>	<u>269,029,521</u>
Average Property Tax Rate	<u>0.007989</u>	<u>0.005588</u>
Transmission Plant	<u>74,750,654</u>	<u>45,834,366</u>
Property Tax Expense - Transmission	<u>597,192 c</u>	<u>256,128 f</u>
15. Property Tax Expense - General Plant Allocated to Transmission		
Intangible and General Plant Allocated to Transmission	2A 830,519	2D 1,135,364
Capital Leases Allocated to Transmission	2B -	2E -
Completed Const. Allocated to Transmission	2C 83,595	2F 58,311
Total Plant Allocated to Transmission	<u>914,115</u>	<u>1,193,676</u>
Average Property Tax Rate	<u>0.007989</u>	<u>0.005588</u>

2.2

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2014

Property Taxes on Plant Allocated to Transmission	<u>Mohave</u>	<u>7,303</u> d	<u>Santa Cruz</u>	<u>6,670</u> j
16. Payroll Taxes - Transmission				
Payroll Tax Expense	4.1k	303,877	4.1i	50,615
Total Salaries and Wages Charged to Expense	4.1b	3,344,967	4.1e	571,400
Average Tax Rate		0.090846		0.088580
Transmission Payroll Expense	4.1a	81,336	4.1d	49,872
Payroll Taxes - Transmission		<u>7,389</u> e		<u>4,418</u> k
17. Payroll Taxes - A&G Payroll Allocated to Transmission				
A&G Salaries and Wages	4.1c	621,526	4.1f	44,634
Average Payroll Tax Rate		0.090846		0.088580
Payroll Taxes on A&G Salaries and Wages		56,463		3,954
Transmission Labor Ratio		0.029865		0.094677
A&G Payroll Taxes Allocated to Transmission		<u>1,686</u> f		<u>374</u> l
18. Allowance for Working Capital				
Transmission O&M Expense	4.1m	321,429	4.1n	63,411
A&G Expense Allocated to Transmission	2.2A	202,175	2.2B	115,119
Total O&M Expense - Transmission		523,604		178,530
Working Capital Factor (1/8)		<u>0.125</u>		<u>0.125</u>
Total Working Capital		<u>65,450.45</u> a		<u>22,316</u> g
19. Weighted Cost of Capital				
From Arizona Corporation Commission Decision No. 59951 Issued 1/7/97				
Cannot change per OATT until next FERC filing.				
	% of	Annual	Weighted	
	<u>Total</u>	<u>Cost %</u>	<u>Cost %</u>	
Short-term Debt	43.00%	7.23%	3.11%	
Long-term Debt	6.00%	5.08%	0.31%	
Common Stock Equity	<u>51.00%</u>	10.70%	5.46%	
	<u>1.00</u>		<u>8.88%</u>	

2.3

20. Combined Federal - State Income Tax Rate

Federal Rate	34.00%	State Rate	5.475%
Income Before Taxes		100.000 %	
Less: State Income Tax		<u>(5.475) %</u>	
Taxable for Federal		94.525 %	

UNS Electric, Inc.
Rates for Transmission Service
For Period Ending December 31, 2014

		<u>Mohave</u>	<u>Santa Cruz</u>
Less: Federal Income Tax			
(.34 X 94.525 - Taxable for Fed)	<u>(32.139) %</u>		
Income After Taxes	<u>62.387 %</u>		
		<u>For Rev Req Calculation</u>	
Total Tax Rate	<u>37.614 %</u>	0.37614	
		0.623865	
		0.602911	

UNS Electric
2014

	Mohave	Santa Cruz	Total
Acct. No. 101, Plant in Service at 12/31/14:			
Intangible Plant (Accts. 301-303) -	6,339,277 c	- g	6,339,277
Production Plant (Accts. 310-346)	66,886,599	42,871,522	109,758,121
Transmission Plant (Accts. 350-359)	67,876,993 b	41,619,689 f	109,496,682
Distribution Plant (Accts. 360-373)	285,022,599	133,697,247	418,719,846
General Plant (Accts. 389-399)	27,808,868 d	11,992,002 h	39,800,870
Total Plant in Service	A 453,934,336	D 230,180,460	684,114,796

Acct. No. 101.1 Capital Leases at 12/31/14:

Vehicles	B - i	E - m	-
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Acct. No. 106 Completed Const. Not Classified at 12/31/14:

Intangible Plant (Accts. 301-303) -	1,370,842		1,370,842
Production Plant (Accts. 310-346)	51,870,659	33,246,931	85,117,590
Transmission Plant (Accts. 350-359)	6,873,661 a	4,214,677 e	11,088,338
Distribution Plant (Accts. 360-373)	1,644,838	771,554	2,416,392
General Plant (Accts. 389-399)	1,428,239 j	615,899 n	2,044,138
Total Completed Const. Not Classified	C 63,188,239	F 38,849,061	102,037,300

Acct. No. 108, Accumulated Depreciation:

Capital Recovery:			
Intangible -	-	-	-
Production	(23,875,014) y	(15,302,889)	(39,177,903)
Transmission	(16,379,922) k	(10,043,569) o	(26,423,491)
Distribution	(160,620,355)	(75,343,146)	(235,963,501)
General	(13,526,522) v	(5,833,034) q	(19,359,556)
	(214,401,813)	(106,522,638)	(320,924,451)

R.W.I.P.:

Intangible -	-	-	-
Production	-	-	-
Transmission	- t	- u	-
Distribution	(13,411)	(6,291)	(19,702)
General	(640) w	(276) r	(916)
	(14,051)	(6,567)	(20,618)

Acquisition Discount, net of Accum. Amortization:

Intangible - (combined with General)			
Production	(10,549,617)	(6,761,865)	(17,311,482)
Transmission	(5,752,872) l	(3,527,451) p	(9,280,323)
Distribution	(28,228,872)	(13,241,485)	(41,470,357)
General	(1,964,966) x	(847,351) s	(2,812,317)
	(46,496,327)	(24,378,152)	(70,874,479)
Total Accumulated Depreciation	(260,912,191)	(130,907,357)	(391,819,548)

3

Acct. 111 Accumulated Amortization:

Intangible -	(2,871,918) c	- e	(2,871,918)
Production	-	-	-
Transmission	-	-	-

	<u>Mohave</u>	<u>Santa Cruz</u>	<u>Total</u>
Distribution	-	-	-
General	-	-	-
	<u>(2,871,918)</u>	<u>-</u>	<u>(2,871,918)</u>

Acct. 111.1 Accum. Amortization - Cap. Leases:

Vehicles	- d	-	- f
	<u>-</u>	<u>-</u>	<u>-</u>

Acct. No. 403, Depreciation Expense:

Intangible -	-	-	-
Production	1,955,502	1,253,395	3,208,897
Transmission	2,135,207 g	1,309,231	3,444,438
Distribution	11,195,522	5,251,550	16,447,072
General	924,314 m	398,591 q	1,322,905
	<u>16,210,545</u>	<u>8,212,767</u>	<u>24,423,312</u>

Acct. 404 Amortization of Utility Plant:

Intangible -	397,160	-	397,160
Production	-	-	-
Transmission	-	-	-
Distribution	-	-	-
General	1,181,009	509,286	1,690,295
	<u>1,578,169 n</u>	<u>509,286</u>	<u>2,087,455</u>

Acct. 406, Amortization of Acquisition Adj:

Intangible -	- o	- s	-
Production	(102,084)	(65,432)	(167,516)
Transmission	(257,202) i	(157,707)	(414,909)
Distribution	(1,923,421)	(902,230)	(2,825,651)
General	(178,589) p	(77,013) t	(255,602)
	<u>(2,461,296)</u>	<u>(1,202,382)</u>	<u>(3,663,678)</u>

Note A:

Note B:

Note C:

Note D:

UNS Electric
2014

Data from Plant Accounting/Regulatory Accounting

updated 2/06/15 Bporter

updated % 02/27/15 B Porter

Santa
Cruz

Total

Acct. No. 101. Plant in Service at 12/31/14:

Intangible Plant (Accts. 301-303)	6,339,277	
Production Plant (Accts. 310-347)	66,886,599	
Transmission Plant (Accts. 350-359)	67,876,993	
Distribution Plant (Accts. 360-373)	285,022,599	
General Plant (Accts. 389-399)	27,808,868	
Total Plant in Service	453,934,336	

Acct. No. 101.1. Capital Leases at 12/31/14:

Vehicles

Acct. No. 106. Completed Const. Not Classified at 12/31/14:

Intangible Plant (Accts. 301-303)	1,370,842	
Production Plant (Accts. 310-347)	51,870,659	
Transmission Plant (Accts. 350-359)	6,873,661	
Distribution Plant (Accts. 360-373)	1,644,838	
General Plant (Accts. 389-399)	1,428,239	
Total Completed Const. Not Classified	63,188,239	

Acct. No. 108. Accumulated Depreciation:

Capital Recovery:

Intangible	-	
Production	(23,875,014)	
Transmission	(16,379,922)	
Distribution	(160,620,355)	
General	(13,526,522)	
	(214,401,813)	

R.W.I.P.:

Intangible	-	
Production	-	
Transmission	-	

	Northern	Southern	Total	Plant
	100.00%	0.00%	100.00%	Intangible
	60.94%	39.06%	100.00%	Production
	61.99%	38.01%	100.00%	Transmission
	68.07%	31.93%	100.00%	Distribution
	69.87%	30.13%	100.00%	General

3.2

	(201,662,708.62)	FERC 1081
	(119,261,742.33)	FERC 1082
	-	
	(320,924,450.95)	

	<u>Mohave</u>	<u>Santa Cruz</u>	<u>Total</u>	
Distribution	(13,411)	(6,291)	(19,702) OK	
General	(640)	(276)	(916) OK	
	(14,051)	(6,567)	(20,618)	Ferc 0108
Acquisition Discount, net of Accum. Amortization: Acct 114/115				
Intangible - (combined with General)	-	-	NBV	
Production	(10,549,617)	(6,761,865)	(17,311,482) OK	
Transmission	(5,752,872)	(3,527,451)	(9,280,323) OK	(115,671,440.69) Ferc 0114
Distribution	(28,228,872)	(13,241,485)	(41,470,357) OK	44,796,961.79 Ferc 0115
General	(1,964,966)	(847,351)	(2,812,317) OK	(70,874,478.90)
	(46,496,327)	(24,378,152)	(70,874,479)	
Total Accumulated Depreciation	(260,912,191)	(130,907,357)	(391,819,548)	
Acct. 111. Accumulated Amortization:				
Intangible	(2,871,918)	-	(2,871,918) OK	
Production	-	-	-	
Transmission	-	-	-	
Distribution	-	-	-	
General	-	-	-	(2,871,918) Ferc 0111
	(2,871,918)	-	(2,871,918)	898,662 Ferc 1112
				(1,973,256) page 219 and supporting page 450.1
Acct. 111.1. Accum. Amortization - Cap. Leases:				
Vehicles	-	-	-	
Acct. No. 403. Depreciation Expense:				
Intangible	-	-	-	
Production	1,955,502	1,253,395	3,208,897	
Transmission	2,135,207	1,309,231	3,444,438	
Distribution	11,195,522	5,251,550	16,447,073	
General	924,314	398,591	1,322,905	
	16,210,545	8,212,767	24,423,313 OK	
Acct. 404. Amortization of Utility Plant:				
Intangible	397,160	-	397,160	
Production	-	-	-	
Transmission	-	-	-	
Distribution	-	-	-	
General	1,181,009	509,286	1,690,295	

	Mohave	Santa Cruz	Total
	1,578,169	509,286	2,087,455
			ok

Acct. 406, Amortization of Acquisition Adj.:

Intangible - (combined with General)			
Production	(102,084)	(65,432)	(167,516)
Transmission	(257,202)	(157,707)	(414,909)
Distribution	(1,923,421)	(902,230)	(2,825,651)
General	(178,569)	(77,013)	(255,602)
	(2,461,296)	(1,202,382)	(3,663,677)
			ok

3.4

YTD December 31, 2014

* Transmission salaries are allocated based on tax percentages which were provided by the Tax Dept and are weighted based on TRSQ locations in the companies property/personal taxes

UNSE Electric, Inc.,
Accumulated Deferred Taxes

provided by M. Beal 2/25/15

	Total 12/31/2014			
<u>Deferred Taxes</u>				
NOL CarryForward 190	5,596,983			
Plant Related Timing Differences - 282 (Excludes CWIP)	(55,879,937)			
CIAC - 190	6,264,874			
Customer Advances - 190	1,543,031			
Regulatory Asset/Liability Adjustments	1,469,090			
Total Deferred Tax Asset / (Liability)	(41,005,959)			
<u>Total Plant</u>				
Ratio	100%			
Deferred Tax Asset / (Liability) Before Transmission Ratio	-41,005,959	Northern	Southern	
		67.28%	32.72%	
		-27,588,809 c	(13,417,150) d	
<u>Transmission Plant</u>				
Total Transmission 101 & 106	120,585,020	74,750,654	45,834,366	
Total Plant 101 & 106	784,989,226	528,140,751	256,848,475	
Transmission Ratio	32.00%	14.15%	17.84%	
ADIT	(6,299,073)	(3,904,795) a	(2,394,278) b	
				5

UNSE WAPA Payments	2014
JAN-14	1,122,796.92
FEB-14	530,103.53
MAR-14	1,043,906.97
APR-14	730,707.41
MAY-14	836,028.71
JUN-14	955,863.22
JUL-14	903,671.25
AUG-14	452,636.31
SEP-14	1,192,841.61
OCT-14	822,900.10
NOV-14	764,239.41
DEC-14	972,702.18
	<u>10,328,397.62</u>

**UNSE - 2014
M&S and Stores Expense**

	<u>Total</u>	<u>Mohave @ 80%</u>	<u>Santa Cruz @ 20%</u>
154 - Materials and Supplies	12,199,556	9,759,644	2,439,911
163 - Stores Expense Undistributed	1,458,769	1,167,015	291,754
	<u>13,658,325</u>	<u>10,926,660</u> ^a	<u>2,731,665</u> ^b

UNS ELECTRIC PEAK DATA - 2014

Month	DISTRICT			Mohave County	UES Total	
	Santa Cruz	Kingman	Lake Havasu			
Jan-14	56	95	91	186	242	
Feb-14	56	100	88	189	245	
Mar-14	40	94	78	172	212	
Apr-14	47	103	116	220	267	
May-14	66	137	150	287	353	
Jun-14	72	161	171	332	404	
Jul-14	68	164	197	361	429	
Aug-14	60	152	175	327	387	
Sep-14	60	146	166	312	372	
Oct-14	43	101	120	221	264	
Nov-14	47	91	75	166	213	
Dec-14	54	101	129	230	284	
				Total		
Max	72	164	197	361	429.0	Max
Avg.	56	121	130	250	306.0	Avg.
	a			b		

updated 2/06/15

9

Data from UNSE Daily Load Report

UNS Electric, Inc.
Computation of Gross Revenue Conversion Factor

Line No.	Description	Percentage of Incremental Gross Revenues	Line No.
1	Gross Revenue	100.00%	1
2	Less: Uncollectible Revenue	0.34375%	2
3	Taxable Income as a Percent	99.66%	3
4	Less: Federal (31.630%) and State Income Taxes (6.968%) (Combined Effective Tax Rate = 38.598%)	39.07%	4
5	Change in Net Operating Income	60.58%	5
6	Gross Revenue Conversion Factor	1.6506	(a) 6

(a) Line No. 1 divided by line No. 5.

Supporting Schedules
N/A

Recap Schedules
A-1

SCHEDULE C-3 REFERENCES

Links

Not linked to other schedules

Source for Uncollectible Revenue = Bad Debt Expense Pro Forma adjustment. The percentage used is the average retail A/R write-off rate.

Source for tax rates = Tax Services

Fed	32.735% a
St	6.471% b
Total	39.206%

CLEAN
Statement of
Charges



UNS Electric, Inc.

Third Revised Sheet No.: 801-2

Superseding Second Revised Sheet No.: 801-2

UNS ELECTRIC STATEMENT OF CHARGES

Description	Rate	Effective Date	Decision No.
Rider R-8			
Lost Fixed Cost Recovery (LFCR) Mechanism – Energy Efficiency	0.6985%	Pending	Pending
Lost Fixed Cost Recovery (LFCR) Mechanism – Distributed Generation	0.1693%		
Rider R-9			
Transmission Cost Adjustor (TCA) – \$/kWh charge (Non-Demand)	\$0.00475 per kWh	Pending	Pending
Transmission Cost Adjustor (TCA) – \$/kW charge (Demand)	\$0.1631 per kW		

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: January 1, 2014
Decision No.: 74235

REDLINE

Statement of
Charges



UNS Electric, Inc.

~~Third~~Second Revised Sheet No.: 801-2

Superseding Second ~~Substitute First~~ Revised Sheet
No.: 801-2

UNS ELECTRIC STATEMENT OF CHARGES

Description	Rate	Effective Date	Decision No.
Rider R-8			
Lost Fixed Cost Recovery (LFCR) Mechanism – Energy Efficiency	0.30588985%	September 1, 2014Pending	74694Pending
Lost Fixed Cost Recovery (LFCR) Mechanism – Distributed Generation	0.27461693%		
Rider R-9			
Transmission Cost Adjustor (TCA) – \$/kWh charge (Non-Demand)	\$0.0011400475 per kWh	June 9, 2014Pending	74235Pending
Transmission Cost Adjustor (TCA) – \$/kW charge (Demand)	\$0.43291631 per kW		

Filed By: Kentton C. Grant
Title: Vice President
District: Entire Electric Service Area

Rate: Statement of Charges
Effective: January 1, 2014
Decision No.: 74235